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President: Ms. Chatardová (Vice-President) ..... (Czechia)

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In the absence of Mr. Shava (Zimbabwe), Ms. Chatardová (Czechia), Vice-President, took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 11: Implementation of and follow-up to major United Nations conferences and summits (*continued*)

(b) Review and coordination of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/72/83-E/2017/60; E/2017/33; E/2017/L.25)

Agenda item 18: Economic and environmental questions (*continued*)

(a) Sustainable development

1. **Ms. 'Utoikamanu** (Under-Secretary-General, High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States), introducing the report of the Secretary-General on the implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/72/83-E/2017/60), said that it provided an assessment of the situation of the least developed countries in relation to the priorities set out in the Programme of Action and contained an overview of progress made in critical areas. It confirmed that progress had been made thanks to the efforts of those countries themselves, with the support of development partners, but that they were still far short of the internationally-agreed development goals.

2. Not all countries had shared in the huge socioeconomic progress seen worldwide over the past few decades. The least developed countries remained the most vulnerable segment of the international community and the gap between them and other countries was widening. The average growth rate of the gross domestic product (GDP) in the least developed countries was estimated to have increased to 4.5 per cent in 2016 from 3.8 per cent in 2015, which was well below the 7 per cent target. Recent estimates by the Department of Economic and Social Affairs for 2017 had been revised downwards to 5.2 per cent and the average growth prediction for those countries for 2018 was 5.5 per cent. Their poor economic performance was partly due to the disproportionate impact of natural disasters, conflicts and economic shocks, and gave added urgency to the need to mobilize resources in support of their economic diversification, resilience-building and structural transformation. No progress was being made in building productive capacity in those countries and their share of manufacturing had increased only marginally, while their investment level had declined from 24.9 per cent of GDP in 2014 to 23.5 per cent in 2015. One positive development was the increase in the percentage of the population with access to electricity, which had risen from 35.8 per cent in 2012 to 38.3 per cent in 2014; however, that also highlighted the need to accelerate progress, particularly in the African least developed countries. Impediments to progress included lack of investment and limited accessibility and affordability of power-generating technology.

3. Science, technology and innovation could play a major transformational role in social and economic development. The Technology Bank for the Least Developed Countries, established by the General Assembly in 2016, aimed to build national capacity in the area of intellectual property rights, scientific production and dissemination, and innovation adapted to those countries. The report highlighted the need to build their scientific and technological base: only 542 patents had been filed by citizens of the least developed countries in 2014 — and those had been concentrated in a few countries. By way of comparison, Indonesia alone had produced 702 patents in that same year.

4. Agriculture remained the sector with the highest share of employment in the least developed countries (about 60 per cent of the population); however, it generated only 26 per cent of value added in GDP. If poverty was to be eradicated, it was therefore critical to increase productivity through investment, extension services and better irrigation, and access to key inputs such as fertilizer and improved seeds. Moreover, the least developed countries' share in world exports had declined, underscoring the need for support in such areas as trade preferences and capacity-building.

5. Substantial but still far from sufficient progress had been made in human and social development. Rates of infant mortality remained high; over the period 2009-2015, 32 million children had been out of school, and at the secondary and tertiary levels of education, gender disparities persisted. Food insecurity and the threat of famine afflicted millions in South Sudan, Somalia and Yemen. The least developed countries were also disproportionately affected by external shocks, while the decline in commodity prices had severely impacted their ability to mobilize domestic resources. Despite those challenges, many of them had made efforts to enhance their tax revenue through reforms aimed at preventing tax evasion, broadening the tax base and improving tax administration. Official development assistance (ODA)

was still of critical importance but while it had increased in real terms in 2015, bilateral ODA to the least developed countries had declined in 2016 by 3.9 per cent in real terms from the previous year. As for foreign direct investment in those countries, while it had increased by one third in 2015, it had declined to only 2 per cent of world foreign direct investment in 2016. In the area of governance, while several challenges remained, progress had been made, particularly through compliance with the Extractive Industries Transparency Initiative. She noted the faster pace of progress towards the target of half the number of least developed countries meeting the criteria for graduation by 2020.

6. She concluded by calling for scaled-up support for the least developed countries in areas critical for their sustainable development, as recognized by the international community. Unlocking the potential represented by the nearly one billion people living in those countries required increased resources and capacity-building as well as focused, prioritized support from development partners, the United Nations system and other international organizations, aimed in particular at addressing the infrastructure gap, increasing agricultural productivity and building the scientific, technological and innovation base. Facilitating more public and private investment would contribute to their economic diversification and the building of productive capacity critical for structural transformation and enhanced mobilization of domestic resources. Her Office remained committed to advocating for the least developed countries, supported by analytical work in relevant areas, and to improving coordination within the United Nations system in support of their advancement.

7. **Mr. Nurse** (Trinidad and Tobago), Rapporteur of the Committee for Development Policy, introducing the Committee's report on its nineteenth session (E/2017/33), said that the Committee's work over the previous year had included monitoring the development progress of graduating and graduated least developed countries. Angola and Equatorial Guinea, which were both characterized by an imbalance between the relatively high level of per capita income and the low level of human assets, continued to suffer from low international oil prices. While Angola, scheduled for graduation in February 2021, had begun preparing a smooth transition strategy by addressing economic vulnerability through diversification, Equatorial Guinea, which had graduated earlier in the month, was still in need of urgent measures to promote human assets. Vanuatu, scheduled to graduate in December 2020, had been recovering from Cyclone Pam but remained highly vulnerable to external shocks. The Committee recommended that the Government of that country should start a dialogue with training and development partners to prepare a smooth transition strategy. The Committee had also reviewed the development progress of Samoa, which had graduated in 2014 and continued its slow but steady path to development despite its high vulnerability to economic and environmental shocks.

8. He drew the Council's attention to paragraph 11 of the Committee's report, on the need to ensure that country perspectives were reflected in the Committee's monitoring reports, and to its paragraph 51, concerning the importance of its reviews of the graduation criteria for least developed countries. In accordance with its mandate to conduct such reviews, the Committee had decided to undertake a comprehensive review of those criteria by 2020, which would focus on the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Paris Agreement under the United Nations Framework Convention on Climate Change, the Sendai Framework for Disaster Risk Reduction 2015-2030 and the Istanbul Programme of Action. The Committee would assess to what extent the criteria reflected those five global development agendas and would identify additional indicators that might usefully be incorporated. The Committee would also, as requested in the 2016 Comprehensive High-level Midterm Review of the Implementation of the Istanbul Programme of Action, look into the reasons for and consequences of the non-application of the least developed countries category by some United Nations system organizations. A survey conducted by the Committee secretariat had shown that recognition of that category by the entities in question did not necessarily translate into a consistent application of priorities and budget allocation. Assistance to those countries was often based on the entities' own policies, priorities and criteria and not on least developed country status, even though that category had been adopted by the United Nations in order to establish development assistance as a priority.

9. Furthermore, those entities did not always have specific graduation support programmes or mechanisms for least developed countries: assistance was often reviewed on a case-by-case basis and there was no established institutional approach for the phasing out of related benefits. Such ad hoc policies added to the difficulties of graduating and graduated countries in the formulation of medium-and long-term

transition strategy. Additional efforts were needed to reduce existing differences in the application of the category and to improve the overall coherence and application of specific international support measures for the countries concerned. The Committee confirmed the findings contained in General Assembly resolution 71/243 on the quadrennial comprehensive policy review, in which the General Assembly expressed its serious concern at the fact that the share of expenditure for operational activities for development of the United Nations system in the least developed countries was declining (para. 40).

10. The Committee secretariat was making progress in developing a web-based platform that would help least developed countries map out and assess the type of specific support currently used and available for them after graduation. The platform would enhance interministerial collaboration and private sector involvement in graduation; identify policy priorities and the use of international support measures and their phase-out; and facilitate communication between government ministries and other stakeholders as well as with key development and trading partners. The Committee recommended that, upon its completion, countries, relevant agencies and bilateral partners should make full use of the platform and that United Nations and bilateral development partners should contribute graduation information and analysis.

11. The Committee had also been considering issues related to the implications of a new development finance concept, known as "total official support for sustainable development". Despite its significance for the 2030 Agenda for Sustainable Development, the Committee considered that many aspects of the new concept remained imprecise. It was unclear whether the introduction of such a concept was preferable to improving the measurement of already defined areas of development finance. Rather than aggregating different flows and expenditures into two overlapping measures, namely, ODA and total official support for sustainable development, it might be better to recognize that flows were different in nature, had different purposes and generated different impacts. The question also arose as to whether the new measurement should cover all financial instruments with a development impact, such as credits and private funds, even if development was not their primary purpose. Lastly, it did not seem appropriate for the total official support concept to rely only on provider-sourced data if cross-border flows were supposed to take a recipient perspective. Ways would then need to be found to strengthen the statistical capacities of developing countries to enable them to report on flows.

12. The main purpose of redefining aid was not to increase artificially the volume of development resources but to increase the level of transparency and accountability among providers and give developing countries a clear understanding of the sources of their development financing. The recipient's interests should remain paramount. Only cross-border resources whose primary purpose was to serve countries' development priorities should be counted as development finance. Since the new concept involved actors outside the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD), a more representative and inclusive body, such as the Economic and Social Council, should play a more prominent role in defining it and following it up. The Committee welcomed the proposed involvement of the high-level political forum on sustainable development, the Council's forum on financing for development follow-up and the United Nations Statistical Commission. All relevant technical and political aspects should be included in order for the new concept to be useful in monitoring the implementation of the 2030 Agenda for Sustainable Development.

13. **Ms. Haque** (Observer for Bangladesh) said that the updated information provided in the Secretary-General's report on the implementation of the Istanbul Programme of Action (A/72/83-E/2017/60) concerned many highly relevant issues, in particular the pervasive poverty in those countries and the fact that their current low growth rate made it hard for them to eradicate poverty, reduce inequality, combat hunger and malnutrition, and improve the provision of basic services. Still feeling the effects of the world economic and financial crises and disproportionately affected by natural calamities, pandemics and external shocks, they were in need of increased global support, yet official development assistance, foreign direct investment and exports had declined considerably in 2016 from their 2015 levels. Since technology and investment were the key drivers of structural transformation in the least developed countries, the Technology Bank and investment promotion regimes for those countries needed to be operationalized without delay. In addition, and as recommended in the report, development partners must take concrete action to reverse the negative trends noted, and States members of the Organization for Economic Cooperation and Development must fulfil their commitment to provide between 0.15 and 0.20 per cent of their gross national income to least developed countries. Her delegation welcomed the recommendations in both the report of the Secretary-General and the report of the Committee

for Development Policy and hoped that they would swiftly be translated into decisions.

Draft resolution E/2017/L.25: Programme of Action for the Least Developed Countries for the Decade 2011-2020

14. **Mr. Zambrano** (Observer for Ecuador), introducing the draft resolution on behalf of the Group of 77 and China, said that it contained a number of contemporary elements particularly relevant to the least developed countries. It stressed the need to reverse the decline in official development assistance and foreign direct investment and invited the President of the Council to convene a full session, at its next forum on financing for development follow-up, on adopting and implementing investment promotion regimes for the least developed countries. A similar mandate had been given in the resolution adopted in 2016, but unfortunately it had not been put into effect. The draft resolution also called for full support from development partners to fully operationalize the Technology Bank and for continuing support from development and trading partners for sustainable graduation. The Group of 77 and China looked forward to continuing negotiations on the draft resolution and hoped that they would soon be concluded.

Agenda item 18: Economic and environmental questions (*continued*)

(b) Science and technology for development (A/72/64-E/2017/12 and E/2017/31-E/CN.16/2017/4)

15. **Mr. Wang Ruijin** (China), Chair of the Commission on Science and Technology for Development, introducing the report of the Commission on Science and Technology for Development on its twentieth session (E/2017/31-E/CN.16/2017/4), said that the Commission had discussed the role of science and technology in the implementation of the 2030 Agenda for Sustainable Development and reviewed progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society at the regional and international levels.

16. As a contribution to the Council's high-level segment, the Commission had held two round tables. During the first round table, on eradicating poverty in all its forms and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges, there had been universal agreement that science, technology and innovation had an indispensable role to play in achieving the Sustainable Development Goals. As a forum for the sharing of national experiences, best practices and lessons learned, the Commission should continue to advise the Council, the General Assembly, the high-level political forum on sustainable development and other relevant forums.

17. In order to harness new and emerging technologies, national innovation systems should be strengthened and regularly assessed by Governments. The participants had welcomed the efforts of the United Nations Conference on Trade and Development (UNCTAD) to help developing countries to integrate science, technology and innovation policies into national development strategies. The Commission should explore innovative financing models, including impact investments, that would work in developing country settings; promote international cooperation, in particular North-South, South-South and triangular cooperation, through capacity-building, technology foresight and technology transfer on mutually agreed terms; and create a Sustainable Development Goals resource access hub to serve as a repository of projects, financing mechanisms, success stories and obstacles encountered by countries.

18. During the second round table, on reviewing progress made in the implementation of the outcomes of the World Summit on the Information Society, the participants had acknowledged the rapid growth in broadband networks and underlined the importance of infrastructure and human capacity-building for effectively harnessing information and communications technology (ICT). Access to ICT and the Internet must be increased. The growing digital divide, including the gender digital divide, was a cause for concern. Women were 12 per cent less likely than men to use the Internet, rising to 31 per cent for women in least developed countries. Given the increasing digitalization of economic activities and transactions, the participants had welcomed the eTrade for All initiative launched by UNCTAD.

19. The Commission had also considered two priority themes. During the discussion on the first priority theme, "New innovation approaches to support the implementation of the Sustainable Development Goals", the Commission had encouraged Governments to support inclusive innovation that responded to the needs of poor and marginalized communities. With regard to the second priority theme, "The role of science, technology and innovation in ensuring food security by 2030", the participants had called on Governments to support agricultural research and development and to promote investment in infrastructure, marketing and innovation.

20. UNCTAD had presented progress reports on the science, technology and innovation policies of the Islamic Republic of Iran and Rwanda, which had been prepared at the request of those countries. Participants had exchanged views on policy issues and shared national experiences in using science, technology and innovation to promote growth and development.

21. The Commission had adopted two draft resolutions, entitled "Science, technology and innovation for development" and "Assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society". Lastly, the Commission had selected two priority themes for its twenty-first session: "The role of science, technology and innovation to increase substantially the share of renewable energy by 2030" and "Building digital competencies to benefit from existing and emerging technologies, with special focus on gender and youth dimensions".

22. **Ms. Wu** Dong (Chief, Science and Technology Section, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society at the regional and international levels (A/72/64-E/2017/12), said that the report had been prepared by UNCTAD based on information provided by 28 United Nations entities and other international organizations and stakeholders. Her presentation would focus on three issues highlighted in the report: access to and use of ICT, the effect of trends in technology and services on the information society, and developments in Internet governance.

23. With regard to ICT access and use, the International Telecommunication Union (ITU) estimated that 47 per cent of the world's inhabitants had used the Internet at least once within a three-month period in 2016, a significant increase from 2005. The mobile revolution was continuing, with over 60 per cent of the world's population estimated to have at least one mobile cellular subscription.

24. However, those figures masked considerable variations. There were 90 mobile broadband subscriptions per 100 people in developed countries, compared with less than 20 in least developed countries. Some 84 per cent of households in Europe had Internet access at home, compared with 15 per cent in sub-Saharan Africa. There was also a widening gender divide, which was worrying given the target in Sustainable Development Goal 9 on significantly increasing access to ICT and striving to provide universal and affordable access to the Internet in least developed countries by 2020. Thus, the digital divide remained the most critical challenge for all stakeholders.

25. Barriers to ICT access included lack of investment in infrastructure; difficult geographical environments and demographic contexts, as in the case of landlocked countries and small island developing States; inadequate complementary infrastructure, such as electrical power networks, in particular in rural areas; limited competition; weaknesses in the legal and regulatory environments for investment and innovation; and cost. Governments, the private sector and civil society must redouble their efforts to ensure that societies not only had access to ICT but were also able to benefit from the opportunities that ICT provided.

26. With regard to the effect of trends in technology and services on the information society, technology innovations were changing social and economic behaviour patterns. The rise of cloud services had raised questions about data privacy, security and jurisdiction; platform businesses such as Uber and Airbnb were challenging established business sectors; and social media had become the most important source of news for a growing number of people.

27. The pace of development was exceptional, with the number of connected devices in the Internet of things predicted to reach 30 billion by 2020. Substantial investments were being made in developing driverless cars, robotics, machine learning and artificial intelligence, all of which were likely to further transform global trade, economic production patterns, employment, social norms and cultural engagement. Governments and businesses were paying increased attention to foresight analysis and scenario planning in order to identify the social and economic impacts of such developments and the legal and regulatory requirements.

28. Noting the growing importance of electronic business and commerce, she said that between 2013 and 2015, the global value of e-commerce had risen by 38 per cent, most of which had occurred in emerging economies. Some countries were better equipped than others to benefit from the opportunities offered by e-commerce. There was a need for investment in connectivity and the underlying transactions and logistics infrastructure. The eTrade for All initiative was intended to improve the ability of developing countries to benefit from e-commerce.

29. With regard to developments in Internet governance, the functions of the Internet Assigned Numbers Authority had been transferred from the Government of the United States to the global stakeholder community. In addition, Governments and stakeholders had strengthened their efforts to develop enhanced cooperation, as set out in the Tunis Agenda for the Information Society, to enable Governments to carry out on an equal footing their roles and responsibilities in international public policy issues pertaining to the Internet. At the request of the General Assembly, the Commission had established a working group to develop recommendations on how to further implement enhanced cooperation. Lastly, the eleventh annual meeting of the Internet Governance Forum had been held in Mexico, under the theme "Enabling inclusive and sustainable growth".

30. The report concluded with a few observations. First, while ICT was central to the development of economies and societies and had tremendous potential to support the achievement of the Sustainable Development Goals, it also posed new challenges. To maximize the developmental impact of ICT, the digital divide must be addressed. In addition, it was necessary to have an enabling legal and regulatory framework for investment and innovation, with a view to ensuring that governance institutions were accountable and developing workforce skills to meet the demands of the new economy. International cooperation would be essential.

31. Second, technology alone could not deliver an information society that was people-centred and inclusive, as envisaged in the Tunis Agenda. All stakeholders must work together to foster such an outcome. The challenge was how to do that when the pace of technology change exceeded the pace of decision-making processes. A strong evidence base, partnerships between Governments and other stakeholders, commitment and investment were required.

32. Lastly, the pace of technical change presented an important challenge to established governance institutions. Institutions must develop decision-making processes that could interact dynamically with the development of technology and services.

33. **Mr. Liu** Jun (China) said that during the twentieth session of the Commission on Science and Technology for Development, the delegation of China had said that the Government wished to enhance its cooperation with the Commission by hosting joint workshops and seminars for developing countries, which would be instrumental in improving their capacity for innovation. Indeed, China felt that it could contribute effectively to science, technology and innovation training programmes, which were important for achieving the Sustainable Development Goals. In that connection, he invited young scientists from developing countries to China to conduct research and development. His delegation would be pleased to receive advice and recommendations from the countries concerned. In addition, he expressed the hope that the Commission would enhance its cooperation with the wider United Nations system, in particular the Technology Facilitation Mechanism, to ensure that innovation contributed effectively to achieving the Sustainable Development Goals.

Action on recommendations contained in the report of the Commission on Science and Technology for Development on its twentieth session
(E/2017/31-E/CN.16/2017/4)

34. **The President** drew attention to the draft proposals contained in chapter I, sections A and B, of the report. She noted that the draft resolutions had been adopted by the Commission at its twentieth session on the understanding that budgetary review would be carried out at Headquarters prior to action on the draft resolutions by the Council. The draft resolutions had no programme budget implications.

Section A

Draft resolution I: Assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society

Draft resolution II: Science, technology and innovation for development

35. *Draft resolutions I and II were adopted.*

Section B

Draft decision: Report of the Commission on Science and Technology for Development on its twentieth session and provisional agenda and documentation for the twenty-first session of the Commission

36. *The draft decision was adopted.*

(h) International cooperation in tax matters (*continued*) (E/2017/45-E/C.18/2017/3)

Draft decision: Report of the Committee of Experts on International Cooperation in Tax Matters on its fourteenth session

37. **The President** drew attention to the draft decision entitled "Venue and dates of and provisional

agenda for the fifteenth session of the Committee", contained in chapter IV of the report of the Committee of Experts on International Cooperation in Tax Matters on its fourteenth session (E/2017/45-E/C.18/2017/3). The draft decision had no programme budget implications.

38. *The draft decision was adopted.*

39. **The President** proposed that the Council should take note of the report of the Committee of Experts on International Cooperation in Tax Matters on its fourteenth session (E/2017/45-E/C.18/2017/3).

40. *It was so decided.*

(m) Assistance to third States affected by the application of sanctions

41. **The President** said that the Council, in its resolution 2000/32, had reaffirmed the important role of the General Assembly, the Council and the Committee for Programme and Coordination in mobilizing and monitoring, as appropriate, the economic assistance efforts of the international community and the United Nations system to States confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Security Council and, as appropriate, in identifying solutions to the special economic problems of those States.

42. The Council had decided to continue its consideration of the issue under agenda item 18 on economic and environmental questions, taking into account the relevant decisions of the Assembly and the Security Council. No advance documentation had been submitted under agenda item 18 (m) and there was no draft proposal before the Council.

The meeting rose at 4.25 p.m.